Registered No 898822

Autoliv Spring Dynamics Limited

Report and Financial Statements

31 December 2012

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COMPANIES HOUSE

Directors
B M O Wallin
J D Bentley

Secretary
J A Bonney

Auditors
Ernst & Young LLP
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Manchester
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Bankers
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Congleton
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Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

Results and dividends

The profit for the year amounted to £335,000 (2011 – loss of £100,000) The directors do not recommend the payment of any dividends (2011 – £Nil)

Principal activities and review of the business

The company's principal activity during the year was the management of its UK property business

The company's key financial and other performance indicators during the year were as follows

	2012	*2011*	*Change*
	£'000	*£'000*	*%*
Total operating profit before exceptional	485	105	+362%
Profit/(loss) after tax	335	(100)	(435%)
Shareholders' deficit	(3,259)	(3,594)	(9%)
Current assets as % of current liabilities	13 1	10 3	+27%

Due to the sharp drop in European vehicle production and the closure of the company's British steel supplier, Autoliv Spring Dynamics Limited announced in November 2008 the planned closure of the business and the transfer of its manufacturing assets to another Autoliv group entity in Romania The transfer of production lines commenced in the first half of 2009, and manufacturing in the UK ceased in December 2009 The company continued to provide supply chain management services for a short period, however this ceased in 2010 Accordingly the company now concentrates upon its property business

Going concern

As detailed above, the company ceased to trade in 2010 with no expectation that trading will recommence The company has a lease commitment that runs to 2019 and as such expects to continue in operational existence until at least this date As the company has net liabilities at 31 December 2012 it is reliant upon parental support to enable it to meet its obligations as they fall due The parent company has confirmed to the directors that it is willing to provide such support and as such the accounts have been prepared on a going concern basis

Directors

The directors who served the company during the year and subsequent to the year end were as follows

B M O Wallin
J Bentley

Directors' report (continued)

Principal risks and uncertainties

The directors have evaluated the principal risks and uncertainties that faced the company during the year and consider these to be largely nullified by the decision to cease operations The main remaining risk is whether the current sub-tenants extend their lease beyond the current term, and also the company's ability to continue to make rent payments on the head-lease

Financial risk management

The company utilises overdraft facilities as part of a 'pool' arrangement with other UK members of the group The 'pool' uses intercompany loans to manage liquidity, cash flow and interest rate risk

The company utilises a group 'netting' service, which matches currency inflows and outflows to achieve natural hedging and manage exchange rate risk where possible

Directors' liabilities

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision was in force during the year and remains in force as at the date of approving the directors' report

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquires of fellow directors and of the company's auditors, each of these directors confirm that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware, and

- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

J Bentley
Director

Date 26th March 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUTOLIV SPRING DYNAMICS LIMITED

We have audited the financial statements of Autoliv Spring Dynamics Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 13 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Gary Harding (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
Date 28 March 2013

Profit and loss account
for the year ended 31 December 2012

	Note	*2012* *£'000*	*2011* *£'000*
Turnover		–	–
Cost of sales		–	–
Gross profit		–	–
Other operating income		485	105
Operating profit	3	485	105
Profit on ordinary activities before interest and similar charges		485	105
Interest payable and similar charges	5	(40)	(205)
Profit /(loss) on ordinary activities before taxation		445	(100)
Tax on profit/(loss) on ordinary activities	6	(110)	–
Profit/(loss) for the financial year	12	335	(100)

All amounts except £85 (2011 £5,680) of administrative expenses relate to continuing property operations

Statement of total recognised gains and losses
for the year ended 31 December 2012

There are no recognised gains or losses other than the profit of £335,000 attributable to the shareholders for the year ended 31 December 2012 (2011 – loss of £100,000)

Balance sheet
at 31 December 2012

Registered No 898822

	Note	*2012* *£'000*	*2011* *£'000*
Current assets			
Debtors	7	315	223
		315	223
Creditors: amounts falling due within one year	8	(2,392)	(2,166)
Net current liabilities		(2,077)	(1,943)
Total assets less current liabilities		(2,077)	(1,943)
Provisions for liabilities	9	(1,182)	(1,651)
Net liabilities		(3,259)	(3,594)
Capital and reserves			
Called up share capital	11	26	26
Share premium account	12	4,149	4,149
Other reserves	12	3	3
Profit and loss account	12	(7,437)	(7,772)
Shareholders' deficit	12	(3,259)	(3,594)

Approved by the Board

J Bentley
Director

Date 26th March 2013

Notes to the financial statements
at 31 December 2012

1. Fundamental accounting concept – going concern
As detailed in the directors report, the company ceased to trade in 2010 with no expectation that trading will recommence The company has a lease commitment that runs to 2019 and as such expects to continue in operational existence until at least this date As the company has net liabilities at 31 December 2012 it is reliant upon parental support to enable it to meet its obligations as they fall due The parent company has confirmed to the directors that it is willing to provide such support and as such the accounts have been prepared on a going concern basis

2. Accounting policies

Basis of preparation
The financial statements of Autoliv Spring Dynamics Limited were approved for issue by the Board of Directors and signed on their behalf on the date noted on the balance sheet

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement
The directors have taken advantage of the exemption in FRS 1(revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related parties transactions
The company's ultimate parent company is Autoliv, Inc , the consolidated financial statements of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Autoliv, Inc group where they are held 100% within the group

Revenue recognition
Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty The following criteria must also be met before revenue is recognised

Provision of services
Revenue from the provision of services is recognised in line with the performance of the related service

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements
at 31 December 2012

2. Accounting policies (continued)

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Operating lease agreements - lessee
Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Operating lease agreements - lessor
Operating lease income is recognised on a straight line basis to the date of the next rent review

3. Operating profit
Operating profit is stated after charging

	2012	*2011*
	£'000	*£'000*
Auditors' remuneration – audit of the financial statements	2	5
Operating lease rentals – plant and machinery	1	2

4. Directors' emoluments

No director (2011 – none) was a member of a group defined contribution pension scheme, and no director (2011 – none) received contributions payable to a private defined contribution pension scheme Both Directors were paid by other group companies (2011 – Both)

5. Interest payable and similar charges

	2012	*2011*
	£'000	*£'000*
Bank interest payable	–	5
Interest charge on onerous lease liability	40	200
	40	205

Notes to the financial statements
at 31 December 2012

6. Taxation on ordinary activities

(a) Tax on profit/(loss) on ordinary activities

The charge is made up as follows

	2012 *£'000*	*2011* *£'000*
Current tax	110	–
Deferred tax	–	–
Tax on profit/(loss) on ordinary activities	110	–

(b) Factors affecting current tax charge

The tax charge assessed on the profit/(loss) on ordinary activities for the year is higher (2011 – higher) than the standard rate of corporation tax in the UK of 24 5% (2011 – 26 5%) The differences are reconciled below

	2012 *£'000*	*2011* *£'000*
Profit/(loss) on ordinary activities before taxation	447	(100)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 5% (2011 – 26 5%)	109	(27)
Effects of		
Expenses not deductible for tax purposes	1	12
Group relief for no consideration	–	14
Unrelieved tax losses	–	1
Total current tax	110	–

(c) Deferred tax

The deferred taxation asset is not recognised in the financial statements due to the likelihood of the company being unable to utilise the asset, and is as follows

	2012 *£'000*	*2011* *£'000*
Unrelieved trade losses	31	33

Notes to the financial statements
at 31 December 2012

6. Taxation on ordinary activities (continued)

A number of changes to the UK Corporation tax system were announced in the 2011 Budget Statement including that the main rate of corporation tax was to be reduced from 26% to 25% from 1 April 2012 and further reductions to the main rate were proposed to reduce the rate by 1% per annum to 23% by 1 April 2014

On 21 March 2012, the Chancellor announced the reduction in the main rate of UK corporation tax to 24 per cent with effect from 1 April 2012 A reduction in the corporation tax rate from 24% to 23% was substantively enacted on 17 July 2012 and will be effective from 1 April 2013

A further reduction to the standard rate of corporation tax to 21% from 1 April 2014 was announced in the Autumn Statement on 5 December 2012 but has not yet been enacted and is therefore not reflected in the workings

7. Debtors

	2012	*2011*
	£'000	*£'000*
Amounts owed by group undertakings	81	81
Other debtors	147	26
Prepayments and other debtors	87	116
	315	223

8. Creditors: amounts falling due within one year

	2012	*2011*
	£'000	*£'000*
Bank overdraft	82	42
Trade creditors	81	81
Amounts owed to group undertakings	2,000	2,000
Other creditors	5	14
Accruals and deferred income	114	29
Corporation tax	110	–
	2,392	2,166

The bank overdraft forms part of a 'cash pool' arrangement and is secured against group undertakings

Notes to the financial statements
at 31 December 2012

9. Provisions for liabilities

	2012 £'000	2011 £'000
At 1 January	1,651	1,747
Credited to profit and loss in the year	(469)	(96)
At 31 December	1,182	1,651

The provision for liabilities is comprised of the provision for onerous lease obligations

10. Commitments under operating leases

Lessee arrangements

At 31 December 2012, the company had annual commitments under non-cancellable operating leases as set out below

	2012		*2011*	
	Land and buildings £'000	*Other £'000*	*Land and buildings £'000*	*Other £'000*
Operating leases which expire				
In over five years	358	–	358	–
	358	–	358	–

Lessor arrangements

At 31 December 2012, the company had non-cancellable agreements with tenants and the future minimum lease income is as follows

	2012		*2011*	
	Land and buildings £'000	*Other £'000*	*Land and buildings £'000*	*Other £'000*
Operating leases which expire				
Within one year	–	–	73	–
More than one and less than five years	269	–	–	–
In over five years	109	–	265	–
	378	–	338	–

The Group sub-lets a building under non-cancellable agreements The leases have various terms and renewal rights

Notes to the financial statements
at 31 December 2012

11. Issued share capital

	2012		2011	
	No	*£'000*	*No*	*£'000*
Allotted, called up and fully paid				
Ordinary shares of £1 each	26,000	26	26,000	26

12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	*Share premium £'000*	*Capital redemption reserve £'000*	*Profit and loss account £'000*	*Total share-holders' funds £'000*
At 31 December 2010	26	4,149	3	(7,672)	(3,494)
Loss for the year	–	–	–	(100)	(100)
At 31 December 2011	26	4,149	3	(7,772)	(3,594)
Profit for the year	–	–	–	335	335
At 31 December 2012	26	4,149	3	(7,437)	(3,259)

13. Ultimate parent company

The company is a subsidiary undertaking of Autoliv UK Holding Limited, a company incorporated in United Kingdom The ultimate parent undertaking and controlling party is Autoliv Inc , a company incorporated in Delaware in the United States of America

The largest group undertakings for which group financial statements are drawn up and of which the company is a member is Autoliv, Inc The smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Autoliv AB, a company incorporated in Sweden The consolidated financial statements of Autoliv Inc and Autoliv AB are available to the public and may be obtained from

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